

MOTOR FUELS UPDATE

DEPARTMENT OF REVENUE



Volume 11, Edition 1

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April 2001

A Word From the Administrator!

STATE OF NEBRASKA



Mike Johanns
Governor

DEPARTMENT OF REVENUE
Mary Jane Egr
Tax Commissioner

MOTOR FUELS
Janet A. Lake
Administrator

Dear Motor Fuel Licensees:

It's hard to believe, but we are about to reach our **tenth anniversary**. Many of you may recall that we were created July 1, 1991, by LB 627. My personal "Thanks" to each of you for your cooperation and assistance as we have gone through many changes in this ten-year period.

While we have seen taxable gallonage increase 22 percent, from a total of 995 million gallons in 1990 to 1.2 billion gallons in 2000, efficiencies have allowed us to reduce Motor Fuel staff by 36 percent, from 45 in 1992 to 29 currently. As I participate in national efforts and see what other states are doing, I am convinced Nebraska has a very effective motor fuel tax program and that is due in large part to advice from our Motor Fuel Industry Advisory Group, and most importantly, cooperation from each of you, our licensees.

During the next eight months, we have several changes that could affect your future filing. Details about each of these are included in this *Update*:

- ❖ ***Electronic filing of tax returns***
- ❖ ***Electronic Funds Transfer (EFT) for payment of tax due***
- ❖ ***2001 Legislation***
- ❖ ***Forms 86 and 74 on-line filing via our Internet site***

If you have any questions or concerns, please contact your Motor Fuels Account Representative. You may call direct or reach them through our toll-free number, 1-800-554-3835. I also encourage you to use e-mail for ease of communication. E-mail provides both a written inquiry and response for clarification and future reference.

I am always interested in your suggestions or comments.

Janet Lake
Motor Fuels Administrator
402-471-5678
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I N S I D E

- ***EDI***
- ***Software Providers***
- ***EFT***
- ***LB 168***
- ***On-line Filing***

ELECTRONIC DATA INTERCHANGE (EDI)

In our October 2000 newsletter, we advised you that **all motor fuel tax returns must be filed electronically beginning with the January 2002 return which will be due on February 25, 2002.**

To avoid last minute potential problems on converting from filing paper to filing electronically, each filer should complete a test file during 2001. You have two options available:

- 1** Create your own software conforming to the mapping instructions contained on our Internet Web site, or
- 2** Purchase pre-written software from a commercial vendor.

While filing electronically will involve some "out-of-pocket" costs which you are not incurring now, there are benefits, such as, the change of the due date for filing your electronic tax return and payment of the tax to the 25th of each month.

If you believe it is not cost-effective for you to file electronically, you should review why you have elected to be licensed and purchase tax-free product. You may determine that it is in your best interest to cancel your current distributor or wholesaler license and begin purchasing all product tax paid from your supplier. Businesses that make retail sales of fuel maintain a Nebraska Motor Fuels Retailers' license for each location, but these businesses are not required to file any motor fuel tax returns (gasoline, diesel, or aircraft) with the Department.

Licensees unable to file the January 2002 Nebraska motor fuel tax return electronically by February 25, 2002, will be subject to the appropriate penalty and possible suspension of current licenses. Contact your Account Representative if you would like to discuss your options. They will be happy to discuss the licensing and filing options of your business operations and show you exactly how this transition will impact you.

SOFTWARE PROVIDERS

Currently we are aware of the following companies that are capable of transmitting EDI files for Nebraska fuel tax reporting.

Advanced Digital Data System
5790 S. Semoran Blvd.
Orlando, FL 32822
Phone: 407-380-5000 Ext. 3207
Contact Person: Mike Barrett
E-mail: barrettm@addsys.com

HCPS, Inc.
104 Hwy C, P.O. Box 69
Licking, MO. 65542
Phone: 573-674-3703
Contact Person: Tim Otten
E-mail: tim_otten@hcps.net

ZyQuest, Inc.
1580 West Frontage Road
DePere, WI 54115
Phone: 800-508-3001
Contact Person: Kay Ullmer
E-mail: kay.ullmer@zyquest.com

Each provider has proven they are capable of transmitting EDI files. These are three of the companies that you may direct your questions concerning EDI filing.

ELECTRONIC FUNDS TRANSFER (EFT)

Everyone whose total motor fuel tax payments (Forms 73, 82, 85 and 86) exceeded \$100,000 for calendar year 2000 will be required to remit their motor fuel tax payments via electronic funds transfer (EFT). In order to ease this transition, the State Tax Commissioner

has decided to phase in this program in three groups:

☞ Those whose calendar year 2000 payments exceed \$500,000, will begin EFT remittances with their June 2001 liability which is due in July 2001. Notice to the affected filers was mailed in late March 2001.

☞ The remaining filers required to remit via EFT will be notified by direct mail and be given at least three months notice before their first EFT remittance is due.

Those remaining motor fuel licensees whose calendar year tax remittances do not exceed \$100,000 are encouraged, but not required, to remit payments via EFT.

LB 168

Legislative Bill 168, enacted by the 2001 Legislature, resulted in several changes to the Nebraska Motor Fuel Tax Laws.

The major changes, **effective January 1, 2002**, are:

- ☑ Allowing Nebraska Motor Fuels to implement different filing frequencies through the issuance of rules and regulations.
- ☑ Eliminating the current Nebraska Permit to Purchase Nonhighway Use Motor Vehicle Fuel. All other requirements necessary to claim a motor vehicle fuel tax credit for nonhighway use, such as the marked 40-gallon storage tank, approved purchase invoices, and method to claim the credit have not changed. Some of the information required on the current application will be included on the Nebraska Nonhighway Use Motor Vehicle Fuels Credit Computation, Form 4136N.

ON-LINE FILING

On-line filing through the Internet is now available! This provides a more efficient method of filing the Nebraska Compressed Fuels Tax Return, Form 86, and the Nebraska Motor Fuels Consumer's Use Tax Return, Form 74.

Form 86

All eligible compressed fuel retailers have been contacted and encouraged to begin filing their Form 86 on-line. If you believe you are qualified and did not receive a letter, contact your Account Representative.

Form 74

Beginning with the second quarter 2001 reporting period, licensees, having access to the Internet and currently filing a paper Form 74, will be able to file the return on-line. Each potential filer will receive a letter explaining how the process works, including sample on-line filings, and the necessary application.

In order for us to authorize your use of this reporting system, you must contact Nebraska Motor Fuels and complete the Motor Fuels Election for Electronic Filing and Signature Authorization, Form 27MF. Please contact your Account Representative or call 1-800-554-3835.



DIESEL FUEL TAX FILERS

Even though the point of taxation changed from sales to receipts, all licensees are still required to maintain the normal records of sales. These sales records are subject to audit.

C A L E N D A R

MONTHLY

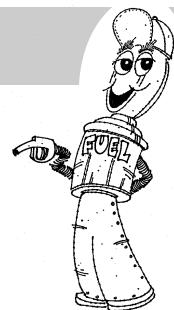
- 20** **Form 73**, Nebraska Motor Fuels Tax Return (*paper filers*)
- Form 80**, Nebraska Motor Fuels Carrier Report (*paper filers*)
- Form 82**, Nebraska Petroleum Release Remedial Action Fee Return (*paper filers*)
- Form 85**, Nebraska Aircraft Fuels Tax Return (*paper filers*)
- Form 86**, Nebraska Compressed Fuel Retailer Return (*paper filers*)
- 25** **Approved EDI Filers**

Quarterly

- 20** **Form 74**, Nebraska Motor Fuels Consumer's Use Tax Return (*paper filers*)
- Form 86**, Nebraska Compressed Fuel Retailer Return (*paper filers*)
- 25** **Approved EDI Filers**

MOTOR FUELS TAX

The Nebraska motor fuels tax for **January 1, 2001** through **June 30, 2001** is **23.9 cents** per gallon.



FOR MOTOR FUELS TAXPAYER ASSISTANCE

Call your account representative or toll free 1-800-554-FUEL (1-800-554-3835).
Lincoln residents call 471-5730.
For *TT (Text Telephone), dial 1-800-382-9309.



*Telecommunication Device for the Deaf (TDD) is designated by the use of "TT," which is consistent with the Americans with Disabilities Act.

OR CONTACT:

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301 Centennial Mall South
P.O. Box 98904
Lincoln, NE 68509-8904

<http://www.nol.org/revenue/fuels/fuels.htm>

If you have received a duplicate mailing or would like to subscribe, please call 1-800-554-3835

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